

# Quarterly Progress Report

## Third Quarter 2003

**(covering the end of Year Five Work Plan and the beginning of the  
Extension Period)**

**The Egypt Capital Markets Development Project**

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## ACRONYMS

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AIMR	Association for Investment Management and Research (U.S.)
CACE	Center for Adult and Continuing Education (division of AUC)
CASE	Cairo and Alexandria Stock Exchanges
CBE	Central Bank of Egypt
CMA	Capital Market Authority
CMD	Capital Markets Development project
CRS	Central Registry Service
DT2	Development Training Two project
EAS	Egyptian Accounting Standards
EIFSC	Egyptian International Financial Services Center
EU	European Union
ECMA	Egyptian Capital Market Association
EDGAR	Electronic Data Gathering and Retrieval System (U.S.)
EIMA	Egyptian Investment Management Association
EIPS	Egyptian Investment Performance Standards
GIPS	Global Investment Performance Standards
IAS	International Accounting Standards
IFSC	International financial services center
IPF	Investor protection fund
IFSC	International financial services center
IT	Information technology
MOFT	Ministry of Foreign Trade
MOF	Ministry of Finance
MCDR	Misr for Central Clearing, Depository, and Registry (formerly MCSD)
NASD	National Association of Securities Dealers Inc. (U.S.)
NYSE	New York Stock Exchange
OTC	Over-the-counter market
QPR	Quarterly progress report
RFP	Request for proposals
SEC	Securities and Exchange Commission (U.S.)
SRO	Self-regulatory organization
WTO	World Trade Organization

## SECTION I

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### Institutional Development

Institutional development under the Year 5 Work Plan is the widest and most important area of CMD's work. It encompasses the overall development of the market's infrastructure, institutions, and risk-containment mechanisms. The tasks in this section build on progress achieved over the life of the CMD project, focusing on implementation of previous recommendations and draft regulations and rules related to margin trading, investor protection, and disclosure, including electronic systems for archiving and distributing issuer filings. There are tasks in five major areas: risk-containment initiatives, planning and organizational strengthening, disclosure and transparency, surveillance, inspection, and certification, and clearing, settlement, depository, and central registry infrastructure.

#### A. Risk-containment Initiatives

##### Task ID1. Margin Trading and Net Capital Regulations

*Task Leader:* Deputy Chief of Party Ahmed Hussein El-Sayed

##### Projected Outcome

Licensing of brokerage firms to offer margin trading services and compliance of these brokerage firms with procedures and checklists developed in partnership with the CMD project.

##### Current Status and CMD Activities

In the previous quarters under this work plan, Deputy Chief of Party Ahmed Hussein re-drafted the margin trading rules that were reviewed by CMD short-term advisor Ken Newman. Hussein also drafted a statement to investors on margin trading concepts, rules, risks, and opportunities. This statement, in Arabic and English, was delivered to both the Cairo and Alexandria Stock Exchanges (CASE) and CMA for distribution as an educational guide for investors. It also serves as a model for those statements required of brokers by the rules. CMD on its part will distribute the statement to participants attending a margin-trading workshop scheduled for next quarter.

The draft margin trading rules were delivered by CMD earlier this year to the CMA Chairman, as part of the CASE membership rules drafted by short-term advisor Morrie Simkin. The Chairman gave CMD positive feedback on the rules and raised some questions that were answered by Newman. The Chairman asked that the rules relating to licensing margin brokers be separated from those organizing the practice of margin trading activity. The former will be included in CASE membership rules while the latter will be included in CASE trading rules.

During this quarter, the rules remained under review and are being finalized in Arabic pursuant to Egyptian laws by CMD Senior Legal Advisor Dr. Ziad Baha El Din, in collaboration with CMD Chief of Party François Jude-Pépin and Deputy Chief of Party

Ahmed Hussein. Baha El Din expects the first draft of the Arabic version of the rules will be ready in the fourth quarter.

CMD, CMA, and MCDR continued to coordinate the development of the electronic system needed for the margin trading brokers to file their reporting information to CMA, CASE and MCDR as required by the margin trading regulations and rules. This effort will be completed in the fourth quarter as well, immediately following the finalization of the rules.

This task is continuing under the CMD extension period work plan.

## **Task ID2. Investor Protection Fund**

(Note that task ID3. Insurance Policies for Market Intermediaries and ID4. Insurance Fund, and their outcomes have been merged with this task.)

*Task leader:* Senior Legal Advisor Neffertiti Tosson

### **Projected Outcomes**

Issuance of the IPF decree and completion of a full set of rules and a detailed plan to implement the fund.

Clear understanding, on the part of the CMA, CASE, and industry representatives, of the issues and challenges related to the insurance of market participants against the loss of assets resulting from non-market risks, professional negligence, or accident, and methods of resolving these challenges.

Implementation plan for the creation of a fund to protect the assets of clients of financial intermediaries.

### **Current Status and CMD Activities**

The Year 5 Work Plan called for the implementation of the IPF design, conceived and articulated in a draft prime ministerial decree written by CMD under previous Work Plans. However, after the acceptance of the Year 5 Work Plan, the CMA requested CMD to expand the scope of protection of the IPF to include professional malpractice. Accordingly, the IPF was re-designed and the draft decree revisited and modified accordingly. Additional consensus has to be built with the CMA and industry. As a result, the three tasks (ID2., ID3., and ID4.) were merged, eliminating the need for outside insurance.

In the third quarter, the CMA legal affairs department finalized the proposed prime ministerial decree. Tosson and Mazhar provided final comments and the proposed decree was translated into English for short-term advisor Charlie Rubin, who arrived in Cairo during July to finalize the IPF report.

CMD Chief of Party Jude-Pépin, Tosson, Rubin, and the CMA legal counselor reviewed the IPF design and draft decree and agreed on more suitable recommendations for the final version of the prime ministerial decree. Rubin and Tosson prepared a presentation on the IPF design and delivered it to industry participants and CMA Deputy Chairman Ahmed Saad. Comments on the design were obtained from industry at a meeting with the Egyptian Capital

Markets Association (ECMA). The design of the IPF was further reviewed with the CMA Chairman following the ECMA meeting.

The rules and regulations of the IPF, originally drafted by Mazhar, will be reviewed after finalization of the draft decree. Once the review and edits are completed, CMA approval will be sought.

The final design of the IPF and draft decree will be presented to the public in a CMD-organized press forum, planned for December. Once finalized, the CMA will send the decree for approval to the Minister of Foreign Trade who sends it to the Prime Minister for issuance.

The original task of Year Five work plan has been completed, but the expanded task is continued under the CMD extension period work plan.

### **Task ID3. Insurance Policies for Market Intermediaries**

#### **Current Status and CMD Activities**

This task has been merged with task ID2.

### **Task ID4. Insurance Fund**

#### **Current Status and CMD Activities**

This task has been merged with task ID2.

## **B. Planning and Organizational Strengthening**

### **Task ID5. Strategic Planning**

*Task Leader:* Senior Financial Advisor Manal Shalaby

#### **Projected Outcome**

Acceptance, by the CMA Board of Directors, of a strategic plan designed by the CMA management.

#### **Current Status and CMD Activities**

This task was completed in the second quarter of 2003.

### **Task ID6. Restructuring along Functional Lines**

*Task Leader:* Deputy Chief of Party Ahmed Hussein El-Sayed

#### **Projected Outcome**

Presentation of new organizational structure, functional statements, and job descriptions to the CMA Board of Directors for approval.

## Current Status and CMD Activities

This task began during the second quarter with the objective of restructuring the CMA along functional lines with the main focus, on its regulatory functions. The purpose was to assist the CMA to carry out those functions more efficiently and effectively according to international standards and best practices. The three fundamental issues considered in this task are:

1. Governance of policy and rule making within the CMA (Board of Directors Vs Commissioners);
2. Management of daily regulatory work, where policy, rules and enforcement are implemented, amendments to those policies and rules are initiated, and enforcement actions are proposed by the relevant departments within the CMA structure;
3. Liaison and relationship between the governing and management levels.

CMD short-term advisor Molly Bayley started her task by reviewing the US SEC recommendations for restructuring the CMA produced by Robert Strahota in 1999, the initial CMD recommendations report of 2002, the IOSCO recommendations on securities regulators, and CMA's five-year strategic plan.

The first phase of this task was designed to obtain a thorough understanding of the current structure of the CMA and the function of its major divisions compared to the official current organizational structure. Bayley and Hussein conducted interviews with CMA executives and met with the CMA Chairman.

In this quarter, Bayley delivered the final draft report outlining recommendations for the CMA restructuring task. Pépin and Hussein reviewed and finalized restructuring recommendations for this task. The report focused on the regulatory functions of the CMA (i.e. corporate finance, investment management, market regulations, and enforcement). Bayley proposed assigning each main department at the CMA with one mission so that all functions within that department are mission-related and driven. One of the organizational issues currently existing at the CMA is the division of mission/goal across more than one department, which reduces efficiency and effectiveness.

Pépin and Hussein presented an executive summary of the preliminary recommendations report to the CMA Chairman, who accepted them in principle and reviewed the detailed report. The CMD team finalized the initial recommendations and scheduling a second trip to Egypt for Bayley in November. She will work with the CMA and CMD on the implementation plan for the restructuring recommendations and develop an organization structure, financial statement, and job descriptions.

This task is continued under the CMD extension period work plan.

## Task ID7. Strategy for the Creation of an International Financial Services Center

*Task leaders:* Senior Financial Advisor Manal Shalaby and Senior Financial Analyst Hesham Ibrahim

### Projected Outcome

Plan for the creation of an EIFSC accepted by the CMA management.

## Current Status and CMD Activities

This task was completed in the first quarter of 2003 with additional assistance provided during the second quarter of 2003.

### Task ID8. Strengthen Technical Office

*Task leaders:* Senior Financial Advisor Manal Shalaby and Senior Financial Analyst Hesham Ibrahim

### Projected Outcome

Creation of a strengthened technical office with a well-trained team.

## Current Status and CMD Activities

The CMD team housed at the CMA technical office continues to achieve positive results—in terms of institutional development, sustainability, and counterpart satisfaction with the three CMD individuals forming the CMD team. The CMA Chairman calls upon his in-house senior advisors from CMD (Hesham Ibrahim, Manal Shalaby, and Iman El-Sherif) to draft high-level memoranda on policy issues and parliamentary agenda items related to the capital market. CMD has responded swiftly and thoroughly to the Chairman's requests, advising on a number of issues as noted in previous quarterly reports.

The CMA Chairman's continues to provide positive feedback on the performance of Ibrahim, Shalaby, and El-Sherif and CMD Deputy Chief of Party Ahmed Hussein who contributes on a part-time basis.

CMD continues to provide its technical support to strengthen the technical office and train its staff members to be able to conduct the variety of tasks required from the technical office.

Dr. Said Abdel Fadil has been appointed Head of the Technical Office. He is responsible for the technical aspect of the office. Abdel Fadil previously working in the CMA research and development department and assisted the CMD team at the technical office on various tasks including computing financial indicators and percentages of free float for most active trading shares. He received media training by CMD Communication & Media Advisor Iman El Sherif who discussed the topics he would be questioned on at a seminar conducted earlier this quarter by the newspaper *Al Mal (The Financial)*.

CMD Senior Financial Analyst Hesham Ibrahim assisted CMA Deputy Chairman Ahmed Saad and a member of the CMA technical office in preparing a report on the delay in transferring investors' foreign funds abroad.

CMD Senior Financial Advisor Manal Shalaby assigned Rania Samir from the CMA technical office to work on computing the P/E ratios for some public enterprise companies based on weighted average prices. The request for this assignment came from the CMA Chairman and Hamedy Rashed of the Public Enterprise Office (PEO), which is responsible for privatization. Following a meeting with the IT group, Shalaby and Samir computed, reviewed, and forwarded the indicators to the PEO office (ID8).



The CMA IT department established a database for fraud and financial crimes. This will be used to document information on suspicious trades reported and reports/complaints. CMD's Ibrahim previously provided the CMA IT team with the type of information needed for reporting purposes.

CMD Communications & Media Relations Advisor El Sherif assisted CMA IT staff members to develop four presentations for the CMA Chairman on company law, accounting and auditing procedures, securitization, and the restructuring of the capital market.

CMD completed its ongoing technical assistance to this task under the 5-year work plan, but continues to do so under the extension.

### **Task ID9. Internal Audit at CASE**

*Task leader:* Deputy Chief of Party Ahmed Hussein ElSayed

#### **Projected Outcome**

Establishment, by CASE, of a comprehensive internal audit function.

#### **Current Status and CMD Activities**

During this quarter, CMD internal auditing advisors completed their work with CASE internal auditors on developing audit procedures manuals and audit programs for the financial and administrative functions of CASE. The following internal audit programs have been completed:

- Financial Functions:
  - Accounting (Cairo): Accounts receivable, revenues, disbursements and treasury
  - Financial and budgeting: banking, insurance, budgets, collection, and customer accounts.
- Administrative Functions:
  - Human resources: personnel files, recruitment, social insurance, salary taxes, payrolls, and fringe benefits
  - Administrative affairs (Cairo): purchasing and procurement, warehousing, mailing service, premises services, and staff services
  - Legal department: legislation and contracts, litigation, complains and investigations
  - Public relations and media
  - Security and motor vehicles: property, personnel and information security, maintenance and motor vehicles
  - Training Department
- Operations Functions:
  - Securities listing, Disclosure and reporting.

In parallel with the development of manuals and the internal audit programs, CMD advisors completed on-the-job training of CASE internal auditors regarding executing and reporting on internal audits for two audit programs.

CMD completed technical assistance to this task under the year five work plan.

## **C. Disclosure and Transparency**

### **Task ID10. Document Archiving and Retrieval (EDGAR-like System)**

*Team Leader:* Senior Systems Analyst Ibrahim Sabri

#### **Projected Outcome**

Launch of the “disclosure website”.

#### **Current Status and CMD Activities**

The CMD project assisted in the creation of the CMA website 4 years ago. Currently, the CMA IT department has taken the lead in most of the work related to this task, with some assistance from CMD. The new website has been totally redesigned in Arabic and English. The Arabic version of the site has been completed and is ready for launching following the completion of the English version.

During this quarter, Raya Integration completed the upgrade of the firewall server operating system for the CMA disclosure website. Information Technology of Egypt (ITE) delivered and installed the upgrade of the firewall, which included an additional 75 user licenses (up from 25 to 100 users).

The Storage Area Network (SAN) solution system, purchased from Horema Dusa, a U.S. company, arrived this quarter and was installed at the CMA. CMD short-term Computer Operations Advisor Hisham El Masri was in charge of the system’s delivery, installation, and testing. El Masri and Senior Systems Analyst Ibrahim Sabri worked with the CMA and TEA computers (the local representative of the SAN storage system) to configure the links between the archiving and web servers and ensure security of the system.

The CMA issued the installation acceptance certificate for the SAN system. Asset Technology completed transferring archived documents from the archiving server local drive to the SAN. CMD short-term Computer Operations Advisor Hisham El Masri and Senior Systems Analyst Ibrahim Sabri completed the inventory for the asset transfer of the delivered SAN equipment, including serial numbers.

Three bidders were short-listed for the task of managing CMA web content management task. Selected bidders were asked to concurrently prepare their best and final offers and technical demonstrations of their capability in linking the web site with the archiving system for the CMA and CMD evaluation team. El Masri coordinated with the CMA to prepare a sample archived document and database to be used by the bidders and Sabri and El Masri responded to bidder inquiries.

The proposal deadline for the CMA web content management task was extended to the third week of October. CMD Senior Systems Analyst Ibrahim Sabri, short-term Computer Operations Advisor Hisham El Masri, and the CMA IT manager visited an installation of Asset Technology's (one of the bidders) web content management software in the Bank of Alexandria.

As it relates to the CMA disclosure website, this task has been completed, except for a procurements which is being completed under the CMD extension period work plan.

### **Task ID11. Disclosure Requirements and Investor Relations**

*Task leader:* Deputy Chief of Party Ahmed Hussein ElSayed

#### **Projected Outcome**

Awareness on the part of CMA managers of the steps necessary to strengthen disclosure requirements.

#### **Current Status and CMD Activities**

CMD Deputy Chief of Party Ahmed Hussein developed a summary of specific financial statement and non-financial statement disclosure recommendations. The summary report will be presented to the CMA Chairman in the fourth quarter with the intent of considering these recommendations in drafting the new capital market law or amending the existing law.

This earlier task had been completed, is not included in CMD's extension work plan but is being revived to ensure the projected outcome will be achieved. Given the time, CMD will complete work on this task.

### **D. Surveillance, Inspection, and Certification**

#### **Task ID12. Surveillance and Inspection**

*Task Leader:* Senior Financial Advisor Manal Shalaby

#### **Projected Outcome**

Well-trained surveillance teams at the CMA and CASE, and a well-trained inspection team at the CMA, conducting their work in accordance with best practices as codified in procedures manuals.

#### **Current Status and CMD Activities**

During the third quarter, short-term advisor Ken Newman researched the CMA Chairman's question concerning whether there is an international standard or best practice that requires national securities regulators to examine all regulated entities each year. After reviewing the web sites of 10 different national regulators, Newman responded that there is no such requirement. He provided an example of the US Securities & Exchange Commission (SEC) where the number of regulated entities outnumbers the number of the examination staff of the SEC. The better method that the SEC follows is to rely more on the Self-Regulatory

Organizations (SROs) to extend the coverage of the annual examination of the regulated entities.

*Inspection.* The CMA inspection team continued to review the inspection manuals written by CMD. The team met with CMD Senior Financial Advisor Manal Shalaby to discuss their comments on the manuals.

The year five work plan task was completed. CMD will complete work on this expanded task with respect to the procedures manual.

### **Task ID13. Regulation of Self-Regulatory Organizations**

*Task Leader:* Chief of Party François-Jude Pépin

#### **Projected Outcome**

A core group of CMA personnel with a thorough knowledge of SRO regulation and procedures.

#### **Current Status and CMD Activities**

During this quarter, CMD Chief of Party François Jude-Pépin started developing materials for a workshop on regulating the central depository, clearing agency, and registry. The materials were translated into Arabic. Pépin will deliver the workshop in the coming quarter.

This task is not included in CMD's extension work plan. CMD will complete work on this task of the year five work plan.

### **Task ID14. Certification for Employees of Brokerage Firms and Other Intermediaries**

*Task leader:* Deputy Chief of Party Ahmed Hussein and Senior Financial Advisor Manal Shalaby

#### **Projected Outcome**

Creation of an examination for the registration of securities intermediaries.

#### **Current Status and CMD Activities**

During this quarter, Shalaby and Hussein drafted a report on the certification of securities principals and representatives in the U.S., with recommendations for a similar certification system in Egypt.

With the presentation of this report to the CMA Chairman, CMD completed its technical assistance on this task under the year 5 work plan.

## **E. Clearing, Settlement, Depository, and Central Registry Infrastructure and Regulation**

### **Task ID15. Central Registry Service**

*Task leader:* Senior Legal Advisor Neffertiti Tosson

#### **Projected Outcome**

Completion of a set of external operating procedures for participants in the Central Registry Service.

#### **Current Status and CMD Activities**

This task was completed in the fourth quarter of 2002.

### **Task ID16. MCDR Legal Agreements and Service Rules**

*Task Leader:* Senior Legal Advisor Neffertiti Tosson

#### **Projected Outcome**

Master services agreement and rules drafted and ready for adoption by the MCDR Board of Directors.

#### **Current Status and CMD Activities**

During this quarter, CMD Chief of Party François Jude-Pépin and Senior Legal Advisor Neffertiti Tosson met with the short-term local legal advisor Ahmed Abou Ali to discuss and finalize the draft master services contracts in standard form. The first draft was reviewed by MCDR and CMD. The CMD short-term legal advisors delivered a first revised draft of the service contract documents for review by Tosson and Pépin and for presentation to MCDR legal counsel. The two master agreements are currently under review by the MCDR legal department with the cooperation of the CMD project.

The delivery of the draft master service contracts and rules completed this task from the Year 5 Work Plan.

This task of assisting MCDR in finalizing the legal documentation is not included in CMD's extension work plan. Given the time, CMD will complete work on this task.

### **Task ID17. MCDR Internal Audit**

*Task leader:* Deputy Chief of Party Ahmed Hussein ElSayed

#### **Projected Outcome**

Conduct, by MCDR, of a comprehensive internal audit.

## **Current Status and CMD Activities**

CMD customized an internal audit policy and procedures manuals under the previous work plan. It also conducted formal and on-the-job training and provided, through the USAID-funded DT2 project, certification to a core group of MCDR's internal auditors (Certified Internal Auditor examination).

CMD's Zarouk, Khaled, & Co. internal audit advisor Hamdy Yousef completed his work with MCDR internal auditors on developing audit programs for MCDR's financial and administrative functions.

During an earlier quarter, MCDR, with the assistance from CMD, completed internal audit programs for the essential financial and administrative functions.

No technical assistance was provided during this quarter under this task.

This task was completed under the year five work plan.

## SECTION II

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### Legal and Regulatory Development

CMD continues to provide extensive legal assistance to its institutional partners in all of its ongoing activities. CMD's focus this year is on the securitization of mortgages and other assets, and strengthened rules for the stock exchange.

#### **Task LR1. Securitization**

*Task leader:* Senior Legal Advisor Ziad Baha El Din

#### **Projected Outcome**

Issuance of regulations covering securitization activities.

#### **Current Status and CMD Activities**

During the third quarter, the mortgage implementation roadmap was finalized and delivered to the CMA Chairman, who provided CMD Senior Legal Advisor Ziad Baha El Din with comments to integrate in the roadmap draft.

CMD Deputy Chief of Party Ahmed Hussein and CMA National Expert Hazem Yassein developed a presentation on the proposed amendments to the Capital Market Law to regulate securitization activity. The CMA Chairman delivered this presentation to those members of the People's Assembly deliberating on the amendment.

CMD short-term advisor Elaine Weiss delivered a report reviewing major securitization arrangements around the world and addressing how work on securitization could be done in parallel with work on mortgages to the CMA Chairman. The report had previously been delivered to USAID and MOF in July.

Shalaby and Ibrahim developed a presentation for the CMA Chairman to use in a presentation on the computation of finance requirements of the Mortgage Finance Fund and estimating the sources of funding to the Minister of Housing early this quarter. Shalaby earlier had developed a 10-year financial model to capture the demand from low-income sectors of society and compute the mortgage installments over this period.

CMD Senior Legal Advisor Ziad Baha El din, El Sherif, and Ibrahim met with the World Bank mission to discuss suggested amendments to the proposed securitization law (amendments to the Capital Market Law). Under the proposed amendments to the securitization law, mortgage-backed securities would be the only type allowed. The World Bank proposed amendments would be included to mortgage bonds as well.

Amendments to the Capital Market Law on securitization will be discussed in the People's Assembly session scheduled for October–November 2003. Once the amendments to the law are passed, the executive regulations will also be amended accordingly, with CMD assistance.

*Report on Assessing Financial Needs and Resources for the Fund Supporting the Real Estate Finance.* CMD Deputy Chief of Party Ahmed Hussein edited the report prepared by CMD Senior Financial Analyst Hesham Ibrahim and Senior Financial Advisor Manal Shalaby. Ibrahim and Shalaby prepared the report for the CMA Chairman.

This task is continuing under the CMD extension period work plan.

## **Task LR2. Self-Regulatory Development: Stock Exchange Rules**

*Task leader:* Chief of Party François-Jude Pépin

### **Projected Outcome**

Submission by CASE of at least two new sets of rules to the CMA management and Board of Directors for approval.

### **Current Status and CMD Activities**

As it relates to margin trading and membership rules, this task is continued under the CMD extension period work plan for their implementation.

## **Task LR3. Improved Regulation of Mutual Funds**

*Task Leader:* Senior Legal Advisor Ziad Baha El Din

### **Projected Outcome**

Strengthened regulation of the mutual fund industry in Egypt.

### **Current Status and CMD Activities**

This activity was ceased with consent from USAID.

## **Task LR4. New Rules and Regulations**

*Task leader:* Senior Legal Advisor Ziad Baha El Din

### **Projected Outcome**

Outcomes under this task will be determined over the course of the year by CMA and market needs.

### **Current Status and CMD Activities**

During the third quarter, CMD Deputy Chief of Party Ahmed Hussein developed two presentations. One was on the draft accounting law for the accounting profession since one of the recommendations to improve corporate governance is to enhance the accounting profession. The CMA Chairman delivered this presentation to members of the People's Assembly. This new law would, once adopted, be an important step forward to enhance Egypt's compliance with the corporate governance international principles.



The other presentation was delivered to members of the People's Assembly on the legislative developments required for enhancing the Egyptian investment environment including amendments to the Capital Market law, a new companies law, and a new Accounting law.

CMD Senior Financial Analyst Hesham Ibrahim conducted a training course for a group of 15 members of an Arab delegation at the Administrative Control Authority. The topic of the course was on CMA efforts in combating fraud and financial crimes.

Ibrahim gave a presentation to the CMA board of directors on the authority's financial crimes and fraud achievements and plans for the coming year. He had also prepared a package with respect to such crimes that included a customer profile, compliance checklist, suspicious activity report, and guidelines. The CMA will distribute the package to securities firms.

CMD completed this task under the year five work plan. This task of ongoing assistance is continuing under the CMD extension period work plan.

### **Task LR5. Training for Judges and Prosecutors**

*Task leader:* Senior Legal Advisor Ziad Baha El Din

#### **Projected Outcome**

Increased knowledge of the investigation, prosecution, and adjudication of capital market cases.

#### **Current Status and CMD Activities**

CMD completed technical assistance to this task under the year 5 work plan. In the extension period work plan CMD will be providing a workshop for judges and prosecutors on fraud and financial crimes.

## SECTION III

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### Public Outreach and Education

In the Year 5 Work Plan, public outreach and education became major project activities. CMD's approach reflects a stronger emphasis on communicating USAID funded projects' success stories in Egypt. CMD is working to capture and retell these stories, not only as tasks and deliverables, but as an important part of USAID's commitment to helping develop the capital market infrastructure in Egypt.

The CMD Communications Team completed several project deliverables, as detailed below.

#### **Task PE1. Education of Key Audiences**

*Task leaders:* Communications and Media Relations Advisor Iman El-Sherif

##### **Projected Outcome**

Distribution of a 6-episode educational video series and at least two major booklets.

##### **Current Status and CMD Activities**

The CMD project completed its work under this task by distributing the 6-episode educational video series in the last quarter of 2002, and both the Investor's Guide to Corporate Finance and the Introductory Guide to the Egyptian Capital Market in the first quarter of 2003.

During the third quarter, the fact sheet on bonds developed by CMD was delivered to the CMA and distributed at a primary dealers roundtable. The fact sheet provides an overview of what bonds are, their legal framework in Egypt, their issuance and trading, credit rating procedures, rights of bondholders, taxation of income, and the role of the CMA in bond issuance.

As an extra deliverable, CMD Senior Financial Advisor Manal Shalaby continued to work on compiling information for a disclosure guide on fixed-income securities. Shalaby completed a model prospectus that will be appended to the guide, which is currently being translated into Arabic. Relevant to this task, Shalaby completed a comparative study on 15 members of the IOSCO on regulatory issues related to fixed-income securities.

The disclosure guide will be completed under the CMD extension period work plan.

CMD completed technical assistance to this task under the year 5 work plan.

#### **Task PE2. Communication between the Market Regulator and Selected Audiences**

*Task leaders:* Communications and Media Relations Advisor Iman El-Sherif

## Projected Outcome

Publication of the first issue of the CMA bulletin and establishment of at least two types of regular forums for specific audiences.

## Current Status and CMD Activities

Through publications, media relations, and workshops, CMD Communication & Media Relations Advisor Iman El Sherif made important strides in the third quarter toward enhancing CMA communications with its various audiences.

*Publications.* The very first issue of the CMA bulletin was published in the first quarter 2003 covering the period October–December 2002. The CMA Technical Office gathered the necessary information and updated the materials to prepare the second issue that covers the first 6 months of this year. CMD short-term design advisor Amr Thakeb provided layout designs for the bulletin. The second issue was published early this quarter.

CMD Deputy Chief of Party Ahmed Hussein, Chemonics Editor Samer Badawi, and Senior Translator/Editor Noha El Hadad edited the English version of the CMA 2002 annual report. CMD Senior Legal Advisor Neffertiti Tosson, Senior Financial Analyst Hesham Ibrahim, Communication and Media Relations Advisor Iman El Sherif, Senior Financial Advisor Manal Shalaby, and Chief of Party François Jude-Pépin finalized reviewing and editing the English version of the CMA annual report for 2002. In the coming quarter, Senior Translator/Editor Noha El Hadad will process the design and printing of the report.

CMD obtained several sample designs for the 2002 Annual Report for CMA approval before sending the report to print. The CMA 2002 annual report was printed and delivered, in Arabic, to the CMA.

*Media Relations.* As part of the effort to invite the international press to cover CMA news, El Sherif is currently the main contact with newspapers and television stations.

This quarter, El Sherif arranged an interview with the CMA Chairman as a follow up to a seminar organized by *Al-Ahram* for industry participants. The interview covered industry participants' questions and queries. The topic of the questions revolved around the future plan of the CMA and its regulatory work, turning CASE into a private stock exchange and problems facing the industry. El Sherif closely worked with *Al-Ahram* representatives, prior to the interview with the Chairman, to provide information for dissemination. The interview was published in *Al-Ahram* covering around 80 percent of the financial news page.

The newspaper *Al-Mal (The Financial)* conducted a 3-hour seminar, inviting CMA officials—CMA Deputy Chairman Ahmed Saad and two CMA staff members (from Research and Development and Market Operations departments) to discuss the work of the CMA. The topics discussed included membership rules, repatriation of funds under CBE policy, CMA's role under the company law, regulation of disclosure on the stock exchange screens, changing the stock exchange into a self-regulatory organization, margin trading implementation, and CASE's two trading sessions per day. Ten journalists and the editor-in-chief Hazem Sherif, who led the seminar and acted as a moderator, attended the seminar.

Prior to the seminar, El Sherif discussed with the three CMA representatives the topics they would be questioned on and the group agreed on the relevant information to be disclosed. El Sherif was also responsible for the final preparations for the seminar.

Following an article published in *Al-Ahram El Iktisadi (Economic Ahram)* regarding stock exchanges around the world, El Sherif and Ibrahim prepared a response on the existence of private stock exchanges and a comparative overview of their existence worldwide. The response was sent to the *Economic Ahram* for publication.

In addition, El Sherif and Deputy Chief of Party Ahmed Hussein drafted a presentation to be delivered by the CMA Chairman at the 1<sup>st</sup> International Capital Markets Conference. The conference was held in Greece 21–23 September 2003.

*Workshops/Forums.* CMD assisted in establishing regular forums dedicated to issuers, market intermediaries, and journalists.

This quarter, El Sherif organized a sixth forum for representatives from brokerage firms. Around 30 brokers have attended each forum. Ibrahim and Saad made presentations on anti-money laundering and discussed relevant regulations and requirements with which brokers must comply.

A seminar serving as an introduction to the capital market that would have been attended by students between the age of 18 and 25 who are active, willing to express their views with respect to change, and interested in promoting public interests was scheduled to take place in early July in Alexandria. It had to be rescheduled.

El Sherif, ECMA Chairman Dr. Mohamed Taymour, Alexandria University Professor Nihal Farid, and representatives from Linkdot.net met to discuss the idea of developing a model stock market on the Alexandria University campus. The provider (linkdot.net) has been contracted by the *university* to provide this service. This agreement took place through ECMA (PE2).

*Capital Market Press Forums.* With the assistance of El Sherif, the CMA conducted three press forums:

- The CMA 19th Capital Market Press Forum on the prevention of fraud and financial crimes. Ministry of Justice Consular Serry Siam and the CMA Chairman announced positive developments as it concerns this topic. It was publicized that Egypt has been taken off the list of non-cooperative countries with respect to money laundering and several cases where Egyptian officials responded were elaborated upon. A brief overview of the relevant Egyptian regulations was given.
- The CMA 20th Capital Market Press Forum on how the new fiscal policy and long-term financing impact bonds issue. Minister of Finance Medhat Hassanein discussed the new role of the National Investment Bank (NIB) in financing projects. Journalists and ECMA executives attended this forum with CMA, MCDR, and CMD representatives, and representatives from the Ministry of Finance. The forum was well covered in local newspapers.

- The CMA 21st Capital Market Press Forum on the roadmap for implementation of mortgage/securitization. The CMA Chairman Abdel Hamid Ibrahim, Minister of Finance Medhat Hassanein and CMD Senior Financial Advisor Yasser Hassan discussed the details of the mortgage/securitization implementation process in Egypt. Attending this forum were 70 journalists, ECMA members, and representatives from CMA, MCDR, and CMD. The forum once again was well covered in local newspapers.

El Sherif and CMA Public Relations Head Mahmoud Abdel Kader had jointly prepared a report on fiscal policy and long term investments. The report was presented to the CMA Chairman and Minister of Finance Medhat Hassanein.

CMD completed its technical assistance under this task under the year five work plan.

### **Task PE3. Awareness of New Financial Instruments**

*Task leaders:* Communications and Media Relations Advisor Iman El Sherif

#### **Projected Outcome**

Evidence of increased awareness of at least two types of potential new financial instruments.

#### **Current Status and CMD Activities**

This task focuses on roundtable sessions on financial instruments that might be appropriate for introduction into the Egyptian capital market.

This task was completed under the year-five work plan. This task will resume after the summer month under the CMD extension period work plan with additional forums.

### **Task PE4. ECMA Website**

*Task leaders:* Senior Systems Analyst Shahira Shahata Habib

#### **Projected Outcome**

Launch of an ECMA website.

#### **Current Status and CMD Activities**

This task was completed in the first quarter of 2003. The ECMA website can be found at <http://www.ecma.org.eg>

## SECTION IV

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# Primary and Secondary Markets for Fixed-income Securities

## Task FIS1. Primary Dealers for Government Securities

*Task leader:* Senior Financial Advisor Manal Shalaby

### Projected Outcome

Selection of primary dealers for the debt of the government of Egypt.

### Current Status and CMD Activities

Early this quarter, CMD Deputy Chief of Party Ahmed Hussein, MCDR Deputy Chairman and Managing Director Mohamed Abdel Salam and two of his assistants developed a presentation on primary dealers for treasury bonds. The CMA Chairman delivered the presentation at a 2-hour roundtable for 70 participants that included prospective primary dealers, bank representatives, and representatives of the Ministry of Finance. From the CMD Project technical team, Deputy Chief of Party Ahmed Hussein, Communication & Media Relations Advisor Iman El Sherif, and Senior Financial Analyst Hesham Ibrahim attended the roundtable. The focus of the presentation was the role of primary dealers in the primary and secondary markets, and the regulatory role of the CMA. This was a CMA/MCDR joint endeavor to provide awareness to the target group. It was agreed that similar roundtables would be conducted in the coming months.

The fact sheet on bonds prepared by the Ziad Baha El Din Law office and published by the CMD project was distributed at this roundtable to the participants. The fact sheet is described in this QPR under task PE1.

US Treasury Advisor to the MOF Keith Krchak and CMD Chief of Party François Jude-Pépin met with CMA Chairman Abdel Hamid Ibrahim to initiate the design, preparation, and delivery of a training course on bond and primary dealers as a qualification requirement to obtaining the mandatory bond dealer license from the CMA. An outline of the course that Krchak would deliver was presented to Chairman Ibrahim and covers auction bidding, secondary market trading, repurchase agreements, T-Bill and bond calculations, bank trading and portfolio management, and primary dealers responsibilities. The course will be adapted to the three audiences to whom it will be delivered: operations and management personnel from the primary dealers, the bank and securities regulators, and MCDR. The course will be delivered by Krchak and facilitated by CMD, shortly before the launch of the Primary Dealer system, tentatively scheduled for the coming quarter.

CMD completed its technical assistance under this task under the year 5 work plan. Additional assistance will continue under the CMD extension period work plan.

## **Task FIS2. Fixed-Income Unit**

*Task leader:* Senior Financial Advisor Manal Shalaby

### **Projected Outcome**

Creation of a fixed-income unit within the CMA.

### **Current Status and CMD Activities**

CMD completed technical assistance to this task under the year 5 work plan. The creation of a fixed-income unit within the CMA will be addressed by the restructuring task that is continued in the extension work plan.

## **Task FIS3. Debt Management**

*Task leader:* Senior Financial Advisor Ghada Moustafa

### **Projected Outcome**

Public release of a schedule for the issuance of debt by the government of Egypt.

### **Current Status and CMD Activities**

CMD continued to support the MOF's Debt Management Department with a full-time, on-site expert, Senior Financial Advisor Ghada Moustafa.

During the third quarter, short-term debt floatation advisor Mohamed Metwally completed phase one of his assignment with the MOF on mortgage-backed securities. This included preparing a study concerning the development of a secondary market for mortgage securities and reviewing investment opportunities for the National Investment Bank (NIB).

CMD completed technical assistance to this task under the year 5 work plan. The task related to debt floatation continues under the CMD extension period work plan. However, Metwally reports directly to USAID on his work under this task with the Ministry of Finance, not to CMD.

## **Task FIS4. Trading Infrastructure for Government and Other Fixed-Income Securities**

*Task leaders:* Senior Systems Analyst Shahira Shahata Habib and Database Specialist Yasser M. ElAlaily

### **Projected Outcome**

Improved trading and registry infrastructure for Treasury securities.

### **Current Status and CMD Activities**

During the third quarter, CMD short-term Database Specialist Yasser El Alaily worked with the CBE IT staff to solve implementation problems that arose when the Treasury bill registry

was modified to identify T-bills by maturity date instead of issuance date. The system has been installed at the securities department, and has been tested, in preparation for going live.

Following the passing of a new rule for the REPO program by the CBE, modification of the system was needed. El Alaily completed the required modifications on the REPO system and the maturity dates. In addition, El Alaily installed the new backup server at CBE that would provide online backup to the respective departments at the CBE. A database replication has been set up in order for the online backup to work.

A backup server for the CBE Book-entry system was acquired in the U.S. and delivered to the CBE. CMD Senior Systems Analyst Ibrahim Sabri contracted a local dealer to install the server at the CBE and the installation was completed. El Alaily completed development of backup procedures for the current T-bills system at the CBE.

This year-five work plan task was completed. Additional assistance under this task will continue under the CMD extension period work plan.



## SECTION V

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### New Tasks under CMD Extension Work Plan

This section covers technical work conducted during the course of this quarter as it relates to the CMD's extension work plan. In the fourth quarterly report we will report the status of all tasks covered under the extension work plan. Below are updates only on the tasks for which technical assistance was provided during the course of this quarter. CMD's technical assistance on those implementation tasks of the Extension Work Plan is discussed in the previous sections of the report. They are the IPF, margin trading, restructuring, securitization, primary dealers, and debt floatation.

#### **Task LR1. Securitization**

*Task leader:* Senior Legal Advisor Ziad Baha El Din

#### **Projected Outcome**

Issuance of regulations covering securitization activities and developing an implementation plan for REFA through CMA.

#### **Current Status and CMD Activities**

CMD Chief of Party François Jude-Pépin and Deputy Chief of Party Ahmed Hussein met with CMD short-term legal advisor Khaled Serry to discuss his study on the introduction of the legal foundation of securitization, recommending to the CMA appropriate amendments to Egyptian laws. The final report is expected by the end of October 2003.

Hussein met with the Executive Director of the Egyptian Young Bankers Association (EYBA) to agree on the agenda and budget arrangements for a securitization conference.

#### **Task LR2. New Rules and Regulations**

*Task leader:* Senior Legal Advisor Neffertiti Tosson and Senior Financial Analyst Hesham Ibrahim

#### **Projected Outcome**

Outcomes under this task will be determined over the course of the coming extension period by the CMD and market needs.

#### **Current Status and CMD Activities**

The CMA Chairman requested inclusion of a review of another country in the corporate governance report. The original review was to cover Egypt, Morocco, Jordan, and Lebanon. Oman has now been added to the list.

CMD Senior Financial Analyst Hesham Ibrahim and Communication & Media Relations Advisor Iman El Sherif started preparing the report and a presentation on corporate

governance to be delivered by CMD Chairman Abdel Hamid Ibrahim at the Paris Global Corporate Governance Forum in Paris in November 2003. The report will include an assessment of corporate governance principles in the five countries mentioned above in the region. It will include comments on the suitability of current principles for implementation in Egypt, as well as recommendations to improve the current principles to suit countries in the MENA region with the purpose of harmonizing regional standards to be implemented in those countries. The report will be submitted to the CMA to be finalized and published. In addition, CMD will sponsor El Sherif and Ibrahim's attendance at the Paris Forum.

### **Task NF11. Debt Floatation by the National Investment Bank**

*Task leader:* CMD Short term advisor Mohammed Metwalli

### **Projected Outcome**

A roadmap for the floatation of debt securities by the NIB.

### **Current Status and CMD Activities**

CMD short-term debt floatation advisor Mohamed Metwalli started working on phase two of this task with the Ministry of Finance and the NIB. He is scheduled to work on this task until mid-December. Metwalli reports directly to USAID on this task, not to CMD.

### **General Tasks**

*Work plan.* CMD Chief of Party François Jude-Pépin, Deputy Chief of Party Ahmed Hussein, and Monitoring, Evaluation and Training Coordinator Maha W. Eid finalized the draft work plan for the extension period (12 September 2003–28 February 2004). A summary of the plan was presented to the CMA Chairman for review. The draft work plan was sent to Chemonics home office for review and editing, and to USAID, CMA, CBE, and MOF for review. USAID and CMD Institutional Partners accepted the work plan with minor changes.

*International Performance Standards.* CMD short-term advisor James Hollis informed CMD that the Association for Investment Management and Research (AMIR) approved the Egyptian standards submitted to them last year, with the exception of a few word changes. Hollis anticipates that it will take a few more weeks for the word changes to go through and then final approval will be received. This task was included in the year 4 work plan.

*Eighth Euro Money Arab Financial Forum.* CMD Senior Financial Analyst Hesham Ibrahim, Communication & Media Relations Advisor Iman El Sherif, and Senior Financial Advisor Manal Shalaby attended this 2-day forum entitled "Opportunities in a Time of Change." Several Egyptian officials, including Prime Minister Atef Ebeid, attended the opening ceremony. The forum covered a range of topics, namely major challenges and opportunities faced by Egypt, investing in a connected future: regional technology and telecommunications, Islamic debt capital markets, re-engineering banking transactions: National Bank of Egypt's experience, foreign investment & the energy sector: the future for FDI in the Arab World, Egyptian banking, trade liberalization and export growth, primary dealer system in government securities.

## APPENDIX A

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### Non-DT2 Training Activities

The following tables summarize CMD's non-DT2 training activities to date. DT2-sponsored activities are summarized in Appendix B.

#### Summary of Non-DT2 and On-the -Job Training: 1999-2003

	Programs	Attendees*	Person-Hours
Third Quarter 2003	4	126	308
Second Quarter 2003	14	974	2594
First Quarter 2003	13	579	4133.5
2002 Total	30	624	5,669.5
2001 Total	29	529	7,354
2000 Total	32	485	5,238
1999 Total	31	483	6,028
<b>Life-of-Project</b>	<b>149</b>	<b>3,674</b>	<b>31,017</b>

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\* "Attendees" only includes participants from our partner institutions and market participants. It does not include CMD staff members who attended the training sessions nor does it include USAID representatives.

### Non-DT2 and On-the-Job Training Programs: Third Quarter 2003

	Title & Description	Duration	Attendees	Person-Hours
Third Quarter 2003	<p><i>Primary Dealers for Government Securities.</i> CMD Deputy Chief of Party Ahmed Hussein drafted a presentation on primary dealers for treasury bonds. The CMA Chairman delivered the presentation at the first 2-hour roundtable for prospective primary dealers, bank representatives, and representatives of the Ministry of Finance. From the CMD Project technical team, CMD Chief of Party François Jude -Pépin, Deputy Chief of Party Ahmed Hussein, Communication &amp; Media Relations Advisor Iman El Sherif, and Senior Financial Analyst Hesham Ibrahim attended the roundtable. The focus of the presentation was the role of primary dealers in the primary and secondary markets, and the regulatory role of the CMA. This was a CMA/MCDR joint endeavor to provide awareness for the target group. It was agreed upon that three similar roundtable would be conducted in the coming months.</p> <p>A fact sheet on bonds prepared by the Zia d Baha El Din Law office and published by the CMD project was distributed at this roundtable to the participants. The fact sheet provides an overview of what bonds constitute, their legal framework in Egypt, whether it has to be issued through a stock exchange, the procedures to issue bonds, credit rating procedures, rights of bondholders, taxation for bonds, and the role of the CMA in bond issuance (FIS1).</p>	1 session, 2 hours	70	140

	<b>Title &amp; Description</b>	<b>Duration</b>	<b>Attendees</b>	<b>Person-Hours</b>
Third Quarter 2003 (cont'd)	<p><i>Forum for Brokers.</i> CMD Communication and Media Relations Advisor Iman El Sherif organized forums for brokers at the CMA. Five forums for brokers were conducted for representatives of brokerage firms last quarter. This quarter, a sixth one was conducted for another 30 representatives of brokerage firms. CMD Senior Financial Analyst Hesham Ibrahim and CMA Deputy Chairman Ahmed Saad made presentations fraud and financial crimes and discussed relevant CMA regulations and requirements with which brokers must comply (PE2).</p>	1 session, 3.5 hours	30	105
	<p><i>Seminar for Newspaper (Al Mal).</i> The newspaper <i>Al-Mal (The Money)</i> conducted a 3-hour seminar, inviting CMA officials—CMA Deputy Chairman Ahmed Saad and two CMA staff members (from Research and Development and Market Operations departments)—to discuss matters concerning the work of the CMA. The topics discussed included membership rules, repatriation of funds and CBE policy, CMA role in the company's law, regulations of disclosure on the stock exchange screens, process of changing the stock exchange into a self-regulatory organization, why margin trading has not been implemented, and CASE disclosure to newspapers that the CMA approved that it would have two trading sessions per day. Ten journalists and the editor-in-chief Hazem Sherif, who led the seminar and acted as a moderator, attended the seminar.</p>	1 session, 3 hours each	11	33
	<p>Prior to the seminar, CMD Communication &amp; Media Advisor Iman El Sherif discussed with the three CMA representatives the topics they would be questioned about and the group agreed on information to be disclosed. El Sherif was also responsible for the final preparations of the seminar (PE2).</p>			

	<b>Title &amp; Description</b>	<b>Duration</b>	<b>Attendees</b>	<b>Person-Hours</b>
<b>Third Quarter 2003 (cont'd)</b>	<i>New Rules and Regulations.</i> CMD Senior Financial Analyst Hesham Ibrahim conducted a training course for an Arab delegation at the Administrative Control Authority. The topic of the course was on the rule of the CMA in combating money laundering (LR4).	1 session, 2 hours each	15	30
<b>Total—Third Quarter 2002</b>			<b>126</b>	<b>308</b>

## APPENDIX B

### DT2 and AUC-CACE Training Activities: 1999-2003

Program	Date	CASE	CBE	CMA	ECMA	MCSD	MOF	Total participa nts	Hours per day	Number of days	Total hours	Person- hours of training
<b>Total DT 2 Funded Training (1999)</b>	<b>1999</b>	<b>21</b>	<b>15</b>	<b>22</b>	<b>1</b>	<b>17</b>		<b>76</b>	<b>46</b>	<b>115</b>	<b>584</b>	<b>5,137</b>
<b>Total DT 2 Funded Training (2000)</b>	<b>2000</b>	<b>30</b>	<b>45</b>	<b>114</b>	<b>0</b>	<b>88</b>		<b>277</b>	<b>110</b>	<b>278</b>	<b>1,340</b>	<b>17,278</b>
<b>Total DT 2 Funded Training (2001)</b>	<b>2001</b>	<b>18</b>	<b>59</b>	<b>59</b>	<b>29</b>	<b>54</b>		<b>219</b>	<b>162</b>	<b>394</b>	<b>2,204</b>	<b>16,718</b>
<b>Total DT 2 Funded Training (2002)</b>	<b>2002</b>	<b>27</b>	<b>5</b>	<b>177</b>	<b>31</b>	<b>109</b>		<b>349</b>	<b>172.5</b>	<b>327</b>	<b>1,586</b>	<b>15,392</b>
Preparation for the Examination of the CIA Designation	Part III: Jan-03											
Arbitration in Securities(Organized by CASE)	Part IV: Feb-03					8		8	4	22	88	704
Judges and Prosecutors OST (1st Trip)	Mar-03			18				49	8	2	16	784
Judges and Prosecutors OST (2nd Trip)	Mar-03			13				18	7	15	105	1,890
Future of Domestic Capital Market Conference	Apr-03			2				13	7	15	105	1,365
SEC Institute Program	Apr-03			2				2	7	4	28	56
Sovereign Debt Management OST	Apr-03						3	2	7	18	126	252
CSD 7 Conference	Jun-03					2		3	7	11	77	231
Primary Dealers II OST	Jun-03		3				1	2	7	2	14	28
Java Programming	Jun-03			2				4	7	10	70	280
Preparation for the Examination of the CIA Designation	Part I: May-03							2	3	13	39	78
Preparation for the Examination of the CIA Designation	Part II: Jun-03	4						4	4	20	80	320
Preparation for the Examination of the CIA Designation	Part III: Sept-03											
Preparation for the Examination of the CIA Designation	Part IV: Jul-03	4						4	4	20	80	320
Securitization course	Jul-03			1				1	4.5	5	22.5	23
Fixed-Income Securities	Jul-03			6				6	8	5	40	240
<b>Total DT 2 to Date</b>		<b>104</b>	<b>127</b>	<b>416</b>	<b>61</b>	<b>278</b>	<b>4</b>	<b>1039</b>	<b>575.0</b>	<b>1276</b>	<b>6,605</b>	<b>61,096</b>
Total English Language TrainingAUC-CACE (2000)	<b>2000</b>	<b>19</b>	<b>24</b>	<b>18</b>	<b>2</b>	<b>20</b>		<b>83</b>	<b>3</b>	<b>135</b>	<b>405</b>	<b>11,205</b>
Total English Language TrainingAUC-CACE (2001)	<b>2001</b>	<b>11</b>	<b>17</b>	<b>50</b>	<b>0</b>	<b>25</b>		<b>103</b>	<b>3</b>	<b>180</b>	<b>540</b>	<b>13,905</b>
English Language Training AUC-CACE	Winter-01-02		2	13		1		16	3	45	135	2,160
English Language Training AUC-CACE	Summer-02			17		1		18	3	45	135	2,430
English Language Training AUC-CACE	Fall-02			1				1	3	45	135	135
English Language Training AUC-CACE	Winter-03		6	8		5		19	3	45	135	2,565
<b>Total AUC -CACE to Date</b>		<b>30</b>	<b>49</b>	<b>107</b>	<b>2</b>	<b>52</b>	<b>0</b>	<b>240</b>	<b>18</b>	<b>495</b>	<b>1485</b>	<b>32,400</b>
<b>Total Life of Project to Date (AUC &amp; DT 2)</b>		<b>134</b>	<b>176</b>	<b>523</b>	<b>63</b>	<b>330</b>	<b>4</b>	<b>1279</b>	<b>593</b>	<b>1771</b>	<b>8089.5</b>	<b>93495.5</b>

## APPENDIX C

### Deliverables Tracker

Task	Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>ID1</b>	<b>Margin Trading and Net Capital Regulations</b>	<ul style="list-style-type: none"> <li>a. Workshops on margin trading: <b>#1 on regulation: done, #2 on rules: pending Arabization of rules, and #3 to complement the inspection task by Ken Newman, postponed to 4<sup>th</sup> quarter.</b></li> <li>b. Procedures and checklists: <b>English version – done. Currently being Arabized.</b></li> <li>c. Statement to investors on risks of margin trading: <b>Done.</b></li> <li>d. Workshop for journalists: <b>Pending Arabization of rules.</b></li> <li>e. Outline requirements for electronic reporting system: <b>Done.</b></li> <li>f. Develop electronic reporting system: <b>postponed to 4<sup>th</sup> quarter.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Licensing of brokerage firms to offer margin trading services and start CMA inspection of these brokerage firms in accordance with procedures and checklists developed in partnership with the CMD project.</li> <li>• The rules are being Arabized. Once completed, the CMA will issue them and brokers will be able to apply for licensing. Expected to take place in fourth quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops for brokers and CMA (minimum of two). #1 on regulation done, # 2 on rules including credit – pending Arabization of rules, # 3 for inspection staff. <b>Done.</b></li> <li>• Procedures manual. <b>Done.</b></li> <li>• Brochure for investors. <b>Done.</b></li> <li>• Requirements for electronic reporting system. <b>Done.</b></li> <li>• Electronic reporting system. <b>4th quarter.</b></li> </ul>
<b>ID2</b>	<b>Investor Protection Fund</b>	<ul style="list-style-type: none"> <li>a. Finalizing IPF Decree</li> <li>b. Drafting of executive regulations</li> <li>c. Implementation plan for the fund. <b>Done.</b></li> <li>d. Assist with the implementation. <b>Pending approval of decree</b></li> </ul>	<ul style="list-style-type: none"> <li>• Issuance of the IPF decree and completion of a full set of executive regulations and a detailed plan to implement the fund. 4th quarter</li> <li>• Clear understanding, on the part of the CMA, CASE, and industry representatives of the issues and challenges related to the insurance of market participants against the loss of assets resulting from crime, professional negligence, or accident, and methods of resolving these challenges. Done.</li> <li>• Implementation plan for the creation of a fund to protect the assets of clients of financial intermediaries. 4th quarter.</li> </ul>	<ul style="list-style-type: none"> <li>• Draft executive regulations. Underway, modified.</li> <li>• Implementation plan for IPF. <b>Done.</b></li> <li>• Evaluation and recommendations report. <b>Done.</b></li> <li>• Concept paper and implementation plan. <b>Done.</b></li> </ul> <p><b>Addition: Draft a contract agreement between participants and the IPF</b></p>



Task	Name	CMD Activities for the Task	Expected Outcome	Deliverables
ID5	Strategic Planning	<ul style="list-style-type: none"> <li>Introductory Workshops: <b>Done</b>.</li> <li>Strategic planning workshops: <b>Done</b>.</li> <li>Workshop to develop required steps to implement the strategic plan: <b>Done</b>.</li> </ul> <p><b>Extra tasks: Strategic Manual and a Gantt chart developed for the action plan.</b></p>	<ul style="list-style-type: none"> <li>Acceptance, by the CMA Board of Directors, of a strategic plan designed by the CMA management. <b>Achieved</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Strategic planning workshops (at least three) <b>Done</b>.</li> <li>Comments on draft strategic plan (developed by CMA) <b>Done</b>.</li> </ul> <p><b>Extra deliverable: Strategic manual prepared by Molly Bayley and reviewed by Manal Shalaby. Done.</b></p>
ID6	Restructuring along Functional Lines	<ul style="list-style-type: none"> <li>a. Assessment of organizational structure, functions, and personnel: <b>Done</b>.</li> <li>b. Recommendations for restructuring (includes functional statements): <b>Report completed and delivered to the CMA Chairman.</b></li> <li>c. Implementation plan for restructuring: <b>Phase two in 4th quarter.</b></li> <li>d. Present organization structure, functional statement, and job descriptions: <b>Phase two in 4th quarter.</b></li> <li>e. Finalize new organizational structure, functional statements, and job descriptions: <b>4th quarter.</b></li> </ul>	<ul style="list-style-type: none"> <li>New organizational structure, functional statements, and job descriptions for presentation to the CMA Board of Directors for Approval.</li> </ul> <p><b>The task is behind schedule because fielding short-term advisors was held up during the hostilities in Iraq.</b></p>	<ul style="list-style-type: none"> <li>Assessment of current CMA organizational structure. <b>Phase I completed.</b></li> <li>Report and presentation with specific recommendations. <b>Done.</b></li> <li>Final version of new organizational structure, functional statements, and job descriptions. <b>4th quarter.</b></li> </ul>
ID7	Strategy for the Creation of an International Financial Services Center	<ul style="list-style-type: none"> <li>a. Research trip to International Financial Services Center in Ireland: <b>Done</b>.</li> <li>b. Complete implementation report: <b>Done</b>.</li> <li>c. Recommendations for developing the center (roundtables with CMA management and selected guests): <b>Done</b>.</li> <li>d. Finalize the implementation report and deliver it to the CMA: <b>Done</b>.</li> <li>e. Conduct workshops on findings of implementation report for Cabinet and other senior government officials: <b>Done</b>.</li> <li>f. Conduct additional activities as necessary: <b>Done</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Plan for the creation of an Egyptian International Financial Services Center accepted by the CMA management. <b>Achieved</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation report on the creation of an EIFSC, November 2002. <b>Done</b>.</li> <li>Final report with recommendations and implementation plan for the creation of an EIFSC, December 2002. <b>Done</b>.</li> </ul>

Task Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>ID8 Strengthen Technical Office</b>	a. On-the-job training for CMA technical office: <b>Done</b> . b. Recommendations on organization and staffing: <b>Done</b> . c. Technical assistance: <b>Done</b> .	<ul style="list-style-type: none"> <li>A strengthened technical office with a well-trained team (to be evaluated at year-end). <b>Achieved</b>.</li> </ul> <b>Performance of staff improved &amp; responsibilities shifted to CMA under CMD supervision.</b>	<ul style="list-style-type: none"> <li>Recommendations on organizational structure. <b>Done</b>.</li> <li>On-the-job training. <b>Done</b>.</li> </ul>
<b>ID9 Internal Audit at CASE</b>	a. Assess CASE internal audit function and present recommendations for improvement: <b>Done</b> . b. Assist with restructuring of internal audit department: <b>Done</b> . c. Develop IAD policy manual: <b>Done</b> . d. Develop IAD procedures manual: <b>Done</b> . e. On-the-job training in executing and reporting on internal audits: <b>Done</b> . f. Assist establishment of a board of directors audit committee: <b>Cancelled</b>	<ul style="list-style-type: none"> <li>Establishment, by CASE, of a comprehensive internal audit function. <b>Achieved</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of CASE's internal audit function. <b>Done</b>.</li> <li>Recommendations for improving CASE's internal audit function. <b>Done</b>.</li> <li>Internal audit policy manual. <b>Done</b>.</li> <li>Internal audit procedures manual. <b>Done</b>.</li> <li>On-the-job training in internal audit. <b>Done</b>.</li> </ul>
<b>ID10 Document Archiving and Retrieval (EDGAR-like system)</b>	a. Requirements for phase II: <b>Done</b> . b. Updating archiving system: <b>Done</b> . c. Top-level design for CMA website: <b>Done</b> . d. Web Interface: <b>Done</b> . e. Scan/archive necessary documents: <b>Done</b> . f. Disclosure website: <b>Ongoing, postponed to 4<sup>th</sup> quarter</b> .	<ul style="list-style-type: none"> <li>Launch of Phase II of the document archiving and retrieval system. <b>Done</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Written requirements for Phase II of the system. <b>Done</b>.</li> <li>Top-level design for the "disclosure website." <b>Done</b>.</li> </ul>
<b>ID11 Disclosure Requirement and Investor Relations</b>	a. Update disclosure recommendations: <b>Done</b> . b. Roundtables on disclosure proposed legislative changes: <b>4<sup>th</sup> quarter</b> . c. Forums for issuers (investor relations)	<ul style="list-style-type: none"> <li>Awareness on the part of the CMA management of the steps necessary to strengthen disclosure requirements.</li> </ul> <b>Efforts were focused on the awareness of issuers of the disclosure requirements and amendments to the capital market law.</b>	<ul style="list-style-type: none"> <li>Roundtable session on disclosure (at least one) <b>4<sup>th</sup> quarter</b>.</li> <li>Forum on investor relations (at least one) <b>Done</b>.</li> </ul>

Task Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>ID12 Surveillance and Inspection</b>	<ul style="list-style-type: none"> <li>a. Update surveillance manual: <b>Done.</b></li> <li>b. On-the-job training for CMA and CASE surveillance staff: <b>Done.</b></li> <li>c. Review and update inspection manuals: <b>4<sup>th</sup> quarter.</b></li> <li>d. On-the-job training for CMA inspection team: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Well-trained surveillance teams at the CMA and CASE, and a well-trained inspection team at the CMA, conducting their work in accordance with best practices as codified in procedures manuals. <b>Achieved.</b></li> </ul> <p><b>Surveillance team was able to train legal department.</b></p>	<ul style="list-style-type: none"> <li>• Updated surveillance procedures manual. <b>Done.</b></li> <li>• Updated inspection manuals and checklists (in Arabic) <b>Ongoing, to be completed 4th quarter and translated into Arabic.</b></li> </ul>
<b>ID13 Regulation of Self-Regulatory Organizations</b>	<ul style="list-style-type: none"> <li>a. Workshops on central depository operations and oversight: <b>4th quarter.</b></li> <li>b. Workshops on stock exchange operations and oversight: <b>Done.</b></li> <li>c. Workshops on the oversight of other SROs: <b>Registry. 4<sup>th</sup> quarter.</b></li> <li>d. Manuals for regulatory oversight of SROs (central depository and registry organizations, stock exchanges, and related entities): <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• A core group of CMA personnel with a thorough knowledge of SRO regulation and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Workshops on SRO operations and oversight (at least three). <b>One done on Stock Exchange operations and oversight.</b></li> <li>• Manual for regulation of central depository and registry organizations. <b>4<sup>th</sup> quarter.</b></li> <li>• Manual for regulation of stock exchanges. <b>Done.</b></li> </ul>
<b>ID14 Certification for Employees of Brokerage Firms and Other Intermediaries</b>	<ul style="list-style-type: none"> <li>a. Design and develop course outline and manual.</li> <li>b. Develop examination for securities intermediaries.</li> <li>c. Recommendations on the institutional, organizational, and regulatory framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of an examination for the registration of securities intermediaries. <b>Achieved.</b></li> </ul> <p><b>This task has been modified by CMD to retain CMD only as needed to assist local advisor.</b></p>	<ul style="list-style-type: none"> <li>• Draft examination for securities intermediaries</li> <li>• Recommendation on organizational structure and procedures necessary to maintain and deliver examination.</li> </ul>
<b>ID15 Central Registry Service</b>	<ul style="list-style-type: none"> <li>a. Procedural framework of corporate actions and dividend distribution: <b>Done.</b></li> <li>b. Assist MCDR data gathering for corporate actions and dividends: <b>Done.</b></li> <li>c. Review initial draft of procedures and deliver written comments: <b>Done.</b></li> <li>d. Comment on second draft of procedures: <b>Done.</b></li> <li>e. Additional consulting on final procedural adjustments and guidance on other pending procedures: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Completion of a set of external operating procedures for participants in the Central Registry Service. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Procedural framework or format for documentation of corporate actions and dividend distribution. <b>Done.</b></li> <li>• Written comments on draft procedures, addressing subject matter, level of detail, and format. <b>Done.</b></li> </ul>

Task Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>ID16 MCDR Legal Agreements and Service Rules</b>	a. Finalize master services agreements: <b>Ongoing, postponed to 4<sup>th</sup> quarter.</b> b. Documentation of MCDR rules: <b>Ongoing, postponed to 4<sup>th</sup> quarter.</b>	<ul style="list-style-type: none"> <li>Master services agreement and rules drafted and ready for adoption by the MCSD Board of Directors. <b>Achieved.</b></li> </ul> <b>Draft agreement and rules. Ongoing, 4<sup>th</sup> quarter.</b> <b>The master services agreement was reviewed by MCDR lawyer and CMD, then MCDR board of directors will approve the agreement.</b>	<ul style="list-style-type: none"> <li>Proposed written variations to rules for services. <b>As needed.</b></li> </ul>
<b>ID17 MCDR Internal Audit</b>	a. Development of internal audit programs: <b>For 80% of the financial and administrative functions.</b> b. On-the-job training for MCDR internal auditors: <b>Same as for "a" above.</b> c. Evaluate performance of MCDR internal auditors: <b>Cancelled.</b>	<ul style="list-style-type: none"> <li>Conduct, by MCSD, of a comprehensive internal audit.</li> </ul> <b>Audit of IT and operations cancelled.</b>	<ul style="list-style-type: none"> <li>On-the-job training for MCDR internal auditors. <b>Done.</b></li> </ul>
<b>LR1 Securitization</b>	a. Develop action plan for the operationalization of Real Estate Finance Law: <b>Done.</b> b. Conduct additional activities (includes drafting required legal amendments, regulations, and training): <b>Done: regulations awaiting amendments to Capital Market Law in 4<sup>th</sup> quarter.</b>	<ul style="list-style-type: none"> <li>Issuance of regulations covering securitization activities.</li> </ul>	<ul style="list-style-type: none"> <li>Action plan, November 2002. <b>Done.</b></li> <li>Draft regulations on securitization. <b>Done.</b></li> </ul>
<b>LR2 Self-Regulatory Development: Stock Exchange Rules</b>	a. Finalization of membership rules: <b>Done. Arabization 4<sup>th</sup> quarter.</b> b. New or modified trading, advertising, over-the-counter trading, and arbitration rules. <b>Done.</b> c. Finalize rules in partnership with CASE management: <b>Done.</b>	<ul style="list-style-type: none"> <li>Submission, by CASE, of at least two new sets of rules to the CMA management and Board of Directors for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Two sets of new, draft rules for CASE. membership rules, <b>done</b>; arbitration rules, <b>done</b>.</li> </ul>
<b>LR3 Improved Regulation of Mutual Funds</b>			Task Cancelled

Task	Name	CMD Activities for the Task	Expected Outcome	Deliverables
LR4	New Rules and Regulations	<ul style="list-style-type: none"> <li>a. Implementation plan for World Bank and USAID recommendations for improving corporate governance</li> <li>b. Workshops: <b>Done.</b></li> <li>c. Legal and regulatory assistance: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes under this task will be determined over the course of the year by CMA and market needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation plan for improved corporate governance. <b>Done.</b></li> <li>• Selected workshops on legal and regulatory issues (at least two) <b>Done.</b></li> </ul>
LR5	Training for Judges and Prosecutors	<ul style="list-style-type: none"> <li>a. Study tour for judges and prosecutors: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Increased knowledge of the investigation, prosecution, and adjudication of capital market cases. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Study tours (at least three iterations) <b>Done – two iterations.</b></li> </ul>
PE1	Education of Key Audiences	<ul style="list-style-type: none"> <li>a. Distribution of educational video series: <b>Done.</b></li> <li>b. Introductory Guide to Corporate Finance: <b>Done.</b></li> <li>c. Introductory Guide to the Egyptian Capital Market: <b>Done.</b></li> <li>d. At least one additional publication: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Distribution of a 6-episode educational video series and at least two major booklets. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Introductory Guide to Corporate Finance. <b>Done.</b></li> <li>• Introductory Guide to the Egyptian Capital Market. <b>Done.</b></li> <li>• Additional publication. <b>Done.</b></li> </ul>
PE2	Communication between the Market Regulator and Selected Audiences	<ul style="list-style-type: none"> <li>a. Develop publications explaining CMA rules and procedures: <b>Done.</b></li> <li>b. Factual CMA Bulletin: <b>Done.</b></li> <li>c. Forums for issuers and market intermediaries: <b>Done.</b></li> <li>d. Forums for journalists and determine additional training needs: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Publication of the first issue of the CMA bulletin and establishment of at least two types of regular forums for specific audiences. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• At least one informational publication. <b>Done.</b></li> <li>• First issue of CMA bulletin, January 2003. <b>Done.</b></li> <li>• At least four forums for selected groups. <b>Done.</b></li> <li>• At least two forums for financial journalists. <b>Done.</b></li> </ul>
PE3	Awareness of New Financial Instruments	<ul style="list-style-type: none"> <li>Roundtables (at least two) for selected issuers, intermediaries, and regulators: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Evidence of increased awareness of at least two types of potential new financial instruments. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• At least two roundtable sessions. <b>Done.</b></li> </ul>
PE4	ECMA Website	<ul style="list-style-type: none"> <li>a. Develop and issue RFP: <b>Done.</b></li> <li>b. Evaluate responses and award contract: <b>Done.</b></li> <li>c. Oversee provider during site development: <b>Done.</b></li> <li>d. Launch website: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Launch of an ECMA website. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ ECMA Website. <b>Done.</b></li> </ul>

Task Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>FIS1 Primary Dealers for Government Securities</b>	<ul style="list-style-type: none"> <li>a. Assist with selection process: <b>Done.</b></li> <li>b. Training: <b>postponed to 4<sup>th</sup> quarter.</b></li> <li>c. Comments on draft trading rules and conventions: <b>Done.</b></li> <li>d. Technical assistance to MOF Department of Primary Dealers and Auctions: <b>Ongoing, postponed to 4<sup>th</sup> quarter.</b></li> <li>e. Advise MOF on the type of auctions to institute for government debt: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Selection of primary dealers for the debt of the government of Egypt. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• On-the-job and formal training for potential primary dealers. <b>4<sup>th</sup> quarter.</b></li> <li>• On-the-job and formal training for MOF personnel. <b>Done.</b></li> <li>• Comments on draft trading rules and conventions. <b>Done.</b></li> </ul>
<b>FIS2 Fixed-Income Unit</b>	<ul style="list-style-type: none"> <li>a. Recommend organizational structure, staffing, and qualifications for positions: <b>Done.</b></li> <li>b. Develop procedures manual: <b>Done.</b></li> <li>c. Workshops on fixed-income instruments: <b>Done.</b></li> <li>d. On-the-job training and technical assistance to the department: <b>Done.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Creation of a fixed-income unit within the CMA. <b>To be addressed by restructuring task.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations on organizational structure. <b>Done.</b></li> <li>• Training. <b>Done.</b></li> </ul>
<b>FIS3 Debt Management (task modified)</b>		<ul style="list-style-type: none"> <li>• Examine and recommend methods of reducing risks related to issuance of government debt and for the development of long-term debt planning. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Most of CMD's work product on this task will relate to the government's borrowing needs, as well as its strategy for managing the proceeds from the sovereign bond offering and, hence, will be kept confidential. As a result, there are no specific deliverables identified for this task. <b>Done.</b></li> </ul>

Task	Name	CMD Activities for the Task	Expected Outcome	Deliverables
<b>FIS4</b>	<b>Trading Infrastructure for Government and Other Fixed-Income Securities</b>	<ul style="list-style-type: none"> <li>a. Modify Treasury Bill registry to work on maturity dates rather than issuance dates: <b>Done.</b></li> <li>b. Discussions with major stakeholders: <b>Done.</b></li> <li>c. Provide additional assistance to improve registry and trading infrastructure for T-bills as requested: <b>Done.</b></li> <li>d. Recommendations on possible electronic trading platforms for fixed income instruments traded over the counter</li> </ul>	<ul style="list-style-type: none"> <li>• Improved trading and registry infrastructure for Treasury securities. <b>Achieved.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Modified Treasury Bill registry. <b>Done.</b></li> </ul>

## Contractual Deliverables

	Deliverables	Status
1	Recommendations on the organizational and institutional structure necessary for the Investor Protection Fund's successful operation, training for securities industry and regulatory personnel, and other assistance related to the implementation of the Investor Protection Fund.	IPF being re-designed. <b>Done.</b>
2	New procedures and techniques for the brokerage industry to comply with the net capital rules / training for the CMA staff in areas related to the implementation and enforcement of the net capital and margin rules.	Procedures & techniques: <b>Done.</b> Training: <b>Ongoing.</b>
3	Preparing a restructuring plan for the CMA encompassing job descriptions, re-assignment of responsibilities, training for employees, and other areas related to the implementation of the reorganization plan.	Special focus was given to the development of the Chairman's technical office. Intensive on the job training is taking place. <b>Ongoing, postponed to 4<sup>th</sup> quarter.</b>
4	Recommendations on the institutional, operational, and regulatory framework necessary to introduce and maintain examinations for various classes of securities industry employees, as well as assistance on content and requirements for such examinations.	<b>Done.</b>
5	Development of a comprehensive document management and records-retention plan in the CMA to ensure better disclosure.	<b>Done.</b>
6	Drafting rules and regulations governing bankruptcy, money laundering, anti-terrorism, e-trading, corporate governance, and the introduction of SROs.	<b>Done.</b>
7	Development of the legal and regulatory framework for the securitization of assets may include the drafting of a trustee law or the inclusion of articles establishing a comparable legal framework in the draft of a new Central Banking Law.	<b>Done.</b>
8	Preparing educational brochures, workshops and conferences for key audiences, and fact sheets. Specific audiences targeted include students, financial journalists, potential and current investors, businessmen's associations, and judges, prosecutors, and lawyers.	<b>Done</b> (refer to accomplishments in this regard) and still on-going
9	Preparing the organizational structure of investor relations departments in listed companies to improve their communication with shareholders.	<b>Done</b> (covered by new listing rules)
10	Raise awareness and understanding of potential new financial instruments that would be appropriate for introduction into the Egyptian market.	<b>Done</b> (two bond seminars + publications)
11	Training employees of primary dealers, MOF officials, and other market participants on the new primary dealers rules.	<b>Ongoing, and 4<sup>th</sup> quarter (US Treasury advisor)</b>
12	Software development and modifications, as well as legal, regulatory, and operational issues related to the implementation and proper functioning of the Treasury bond registry. It will also include the development of network connections within the CBE and to external entities. Development of automation plans and solutions, as well as the initial development of an electronic trading for fixed-income instruments traded over the counter.	<b>Done.</b>